MULTIMEDIA UNIVERSITY ®

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018 / 2019

PBU0054 – FUNDAMENTALS OF BUSINESS MANAGEMENT

(All Sections)

05 MARCH 2019
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **EIGHT (8)** pages.
2. Answer **ALL** the questions in **Sections A and B**.
3. Shade your answers for Section A on the OMR sheet. Write your answers for Section B in the Answer Booklet.

SECTION A: MULTIPLE-CHOICE QUESTIONS [40 MARKS]

Instructions: Answer **ALL** questions in this section. Shade your answers on the **OMR** sheet.

1. Determining goals is the first step in the planning process. What is the next step?
   A. Developing a tactical plan
   B. Developing a strategic mission
   C. Developing an operational plan
   D. Developing a comprehensive strategy

2. Which function in the management process will be used when a firm chooses to move towards a more centralised structure?
   A. Leading
   B. Planning
   C. Organising
   D. Controlling

3. In the process of strategy formulation, SWOT analysis takes place in _____.
   A. setting strategic goals
   B. developing tactical and operational plan
   C. matching the organisation and the environment
   D. analysing the organisation and the environment

4. AZ Manufacturing divides its organisation according to the way the goods are created. It is utilising _____ departmentalisation.
   A. process
   B. product
   C. customer
   D. functional

5. What type of organisation structure has relatively few layers of management?
   A. Tall organisational structure
   B. Flat organisational structure
   C. Long organisational structure
   D. Short organisational structure

6. A company's organisation chart reveals _____ in the delegation process.
   A. authority
   B. responsibility
   C. accountability
   D. all of the above

Continued...

7. A fast-food restaurant located nearby a college to make the products available conveniently for consumers. Which type of utility is the restaurant created?
   A. Time
   B. Form
   C. Place
   D. Possession

8. FedEx will always ensure that their delivery is fast and on time, as promised. Which type of strategy does FedEx emphasise to attract customer?
   A. Quality
   B. Low Price
   C. Flexibility
   D. Dependability

9. Amin, the production manager examines step-by-step procedures in the operation to reduce inefficiency. He is involving in which category of operations planning?
   A. Layout planning
   B. Method planning
   C. Capacity planning
   D. Location planning

10. Consistency refers to which of the following?
   A. The sameness of product quality from unit to unit
   B. Providing value by making products available where customers want them
   C. The principle that quality belongs to each person who creates it while performing a job
   D. The process by which a company analyses a competitor's products to identify desirable improvements

11. Which of the following statements is **TRUE**?
   A. Performance behaviour refers to employee behaviour that provide positive benefits to the organisation but in more indirect ways.
   B. Organisational citizenship refers to productive employee but refuses to help others or the organisation.
   C. Organisational citizenship reflects the ability of a behaviour to detract from, rather than contribute to the organisational performance.
   D. None of the above.

12. Two basic categories of individual differences are _____ and _____.
   A. attitudes; personality
   B. openness; agreeableness
   C. contribution; inducement
   D. self-awareness; conscientiousness

Continued...

13. Which of the employees below shows a high degree of conscientiousness?
    A. Melvin, a positive person who sees difficulties as challenges.
    B. Marcus who only focus few tasks at one time while completing his jobs.
    C. Darwin, an open minded person who willing to listen and adapt to change.
    D. Judy who has a very good relationship with all her colleagues in the company.

14. Alice is an employee in company X. She is always punctual to work, complete her job as per requested before she goes back. Which of the following best describe Alice's behaviour at work?
    A. Positive reinforcement
    B. Performance behaviour
    C. Organisational citizenship
    D. Counterproductive behaviour

15. Which of the following personalities suits to perform a task with high level of detail?
    A. One with high openness
    B. One with high agreeableness
    C. One with positive emotionality
    D. One with high conscientiousness

16. Joycelyn is happy with her current job as a sales executive because her skills and knowledge are compensated exactly right by her boss. What is the term that best describe this scenario?
    A. Person-job-fit
    B. Employee equity
    C. Psychological contract
    D. Management by objectives

17. A _____ lists the duties and responsibilities of a job.
    A. job analysis
    B. job description
    C. job specification
    D. government report

18. A special pay programme designed to motivate high performance refers to _____.
    A. bonus
    B. benefit
    C. incentive
    D. profit sharing

19. Which of the following types of training occurs while the employee is at his or her place of work?
    A. Vestibule training
    B. Incentive training
    C. On-the-job training
    D. Off-the-job training

Continued...

20. Independent contractors, on-call workers, contract employees, and leased employees are all examples of _____.
    A. union workers
    B. permanent workers
    C. contingent workers
    D. knowledge workers

21. _____ is defined as "activities, a set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."
    A. Value
    B. Marketing
    C. Target Marketing
    D. Market Segmentation

22. _____ utility creates a marketing sales agreement that stipulates when products will be delivered to customers.
    A. Form
    B. Time
    C. Place
    D. Possession

23. The electronic and gadget shopping provide examples of changes to which of the following external environmental factors that affect marketing?
    A. Economic
    B. Competitive
    C. Political-legal
    D. Technological

24. _____ is a process to divide a market into categories of customer types or "segments."
    A. Marketing mix
    B. Target marketing
    C. Market segmentation
    D. Product differentiation

25. _____ variables describe populations by identifying traits, such as age, income, gender, ethnic background, marital status, race, religion, and social class.
    A. Social
    B. Cultural
    C. Demographic
    D. Psychographic

Continued...

26. _____ are consumer goods with unique characteristics or brand identification for which a significant group of buyers is willing to pay higher price on it.
    A. Specialty goods
    B. Shopping goods
    C. Industrial goods
    D. Convenience goods

27. _____ is described as a group of closely related products because they function in a similar manner or are sold to the same group of customers who will use them in similar ways.
    A. Product mix
    B. Product line
    C. Expense items
    D. Production items

28. The product life cycle is an important concept in marketing. In which stage does sales volume peak?
    A. Growth
    B. Decline
    C. Maturity
    D. Introduction

29. Which of the following strategies is involved with penetration pricing?
    A. Setting an initial low price to establish a new product in the market.
    B. Setting a limited number of prices for certain categories or products.
    C. Setting a moderately high price to establish a new product in the market.
    D. Setting an initial high price to cover new product costs and makes profit.

30. HM Farm Dairy distributes its products to consumers without intermediaries. Which one of the following distribution channels is used by HM Farm Dairy?
    A. Retail distribution
    B. Direct distribution
    C. Distribution by agents
    D. Distribution by brokers

31. Which of the following refers to the rules and procedures governing the content and form of financial reports?
    A. Accounting and financial rules
    B. National bookkeeping standards
    C. Generally accepted accounting principles
    D. National guidelines of accounting principles

Continued...

32. How do certified public accountants ensure a company's financial reports really represent its operations?
    A. By conducting an audit
    B. By reviewing GAAP standards
    C. Through the filing of tax information
    D. By acting as advisory to senior management

33. Which of the following **BEST** demonstrates cash flow from operations?
    A. Outflows for payments of dividends
    B. Net cash used in or provided by investment
    C. Cash flow from borrowing or issuing stock
    D. Transactions involved in buying and selling goods and services

34. Adrian, the private accountant of Funland Enterprise is required to determine its long-term solvency ratio based on the data extracted from the Statement of Financial Position of Funland Enterprise.

    Current liabilities = RM700,000
    Long term liabilities = RM800,000
    Owner's equity = RM1,100,000
    Current assets = RM1,100,000
    Non-current assets = RM1,500,000

    Based on the above information, what is the debt-to-equity ratio of Funland Enterprise?
    A. 1.36
    B. 0.73
    C. 2.36
    D. None of the above

35. Which of the following financial institutions are considered to be owned by their depositors?
    A. Credit unions and pension funds
    B. Mutual savings banks and credit unions
    C. Commercial banks and savings and loan associations
    D. Savings and loan associations and mutual savings banks

36. What type of nondeposit institution will buy and sell stocks and bonds on behalf of clients?
    A. Pension funds
    B. Insurance companies
    C. Finance companies
    D. Securities investment dealers

Continued...

37. If a Malaysian firm wishes to buy products from an overseas supplier, what would the firm use to guarantee payment on a certain date?
    A. Letter of credit
    B. Brokerage service
    C. Banker's acceptance
    D. Currency exchange guarantee

38. Which of the following is considered to be one of the riskiest of all investments?
    A. Blue-chip stock
    B. Mutual funds
    C. No-load funds
    D. Common stock

39. Using the Rule of 72, how long will it take for RM7,000 to grow to RM14,000, at a rate of 6 percent?
    A. 9 years
    B. 21 years
    C. 15 years
    D. 12 years

40. Janet owns 100 shares of Nestle common stock. Janet can earn money from these stocks by _____.
    A. converting the common stock to mutual funds
    B. receiving dividends from the company's profits
    C. selling the stock when the share price is higher than what she paid
    D. B and C

SECTION B: STRUCTURED QUESTIONS [60 MARKS]

Instructions: Answer **ALL** questions in this section. Write your answers in the answer booklet provided.

QUESTION 1

a) List **THREE (3)** similarities and **TWO (2)** differences between a Gantt chart and a Pert chart. (5 marks)

b) After strategic goals have been set, organisations usually go through SWOT analysis as they continue to formulate their strategy.
What is SWOT analysis? Discuss the **THREE (3)** broad levels of strategy that organisations may implement.

(10 marks)

[TOTAL 15 MARKS]

Continued...

QUESTION 2

a) To increase the level of job satisfaction among the employees, many companies have implemented a range of programmes to make jobs more interesting and rewarding.
Name the **FIVE (5)** strategies and techniques that can be used by a company to enhance motivation of the employees.

(5 marks)

b) Briefly discuss the process of human resource planning and methods in which organisation recruit and select new employees.

(10 marks)

[TOTAL 15 MARKS]

QUESTION 3

a) Customers usually will buy the goods or services that offer the best value when it comes to meeting their needs and wants.
Define the term "value" and describe **TWO (2)** ways a firm delivers value to its customers?

(6 marks)

b) List and explain **THREE (3)** types of competition need to be identified by a firm.

(6 marks)

c) Effective market segmentation requires an understanding of the market and skilled art of finding the appropriate segments.
List the **THREE (3)** most common forms of consumer market segmentation can be used by a firm.

(3 marks)

[TOTAL 15 MARKS]

QUESTION 4

a) Briefly explain **FOUR (4)** of the five users of accounting information.

(4 marks)

b) List the purposes of the International Monetary Fund.

(4 marks)

c) After determining the desired risk-return balance, investors then achieve it in two ways i.e. through diversification and asset allocation. What is meant by diversification and asset allocation?

(2 marks)

d) Explain the difference between debt financing and equity financing. Give **TWO (2)** examples for each of them.

(4 marks)

e) The initial public offering (IPO) is a major source of funds for fueling the growth of many firms. What is meant by IPO?

(1 mark)

[TOTAL 15 MARKS]

End of Paper